

22 AIDE-MEMOIRE.

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TO AN EFF AGREEMENT. SOME BRIDGE FINANCING WILL BE NECESSARY SINCE THE IMF CALCULATES THAT DURING THE FIRST QUARTER OF 1978 JAMAICA WILL HAVE A GROSS RESERVE LOSS

BEFORE EXTERNAL ASSISTANCE OF BETWEEN U.S. \$45 - 60 MILLION (LIQUID FOREIGN EXCHANGE RESERVES WERE U.S. \$43.5 MILLION AT THE END OF OCTOBER). THERE IS A POSSIBILITY THAT \$30 MILLION OF THIS GAP WILL BE FILLED BY A COMMERCIAL BANK LOAN FOR WHICH JAMAICA IS CURRENTLY NEGOTIATING (GIVEN THE CURRENT CIRCUMSTANCES THIS IS IN DOUBT); HOWEVER, SOURCES OF FINANCING FOR THE BALANCE (\$15 - 30 MILLION) OF THE GAP ARE UNKNOWN.

8. SINCE JAMAICA IS NO LONGER IN COMPLIANCE WITH ITS
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9. SUCCESSFUL NEGOTIATION OF AN EFF PROGRAM WOULD ALLOW THE JAMAICANS TO DRAW AN INITIAL INSTALLMENT OF SDR 25 MILLION AROUND APRIL 1 OUT OF A TOTAL OF ABOUT SDR 70 MILLION EXPECTED TO BE AVAILABLE UNDER THE PROGRAM DURING ITS FIRST YEAR.

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S E C R E T STATE 308627

EXDIS FOR AMBASSADOR YOUNG FROM UNA

FOLLOWING REPEAT STATE 308627 ACTION KINGSTON DATED DEC 28:

QTE:S E C R E T STATE 308627

EXDIS

E.O. 11652: XGDS-1

TAGS: EFIN, IMF, JM

SUBJECT: JAMAICA'S IMF STANDBY STATUS

1. IMF WESTERN HEMISPHERE DIRECTOR ROBICHEK MET WITH
STATE AND TREASURY OFFICERS ON DECEMBER 23. HE SAID
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SECRET STATE 308627 TOSEC 130021

EXDIS FOR UNDER SECY COOPER

FOLLOWING REPEAT STATE 308627 ACTION USUN NY DATED DEC 29:

QTE:S E C R E T STATE 308627

EXDIS FOR AMBASSADOR YOUNG FROM UNA

FOLLOWING REPEAT STATE 308627 ACTION KINGSTON DATED DEC 28:

QTE:S E C R E T STATE 308627

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